

Afghanistan Energy Study 8th Committee Meeting Minutes

Meeting time and location: Wednesday December 5, 2018, World Bank

Discussions and Decisions:

1. Ms. Fanny Ringius welcomed participants and provided meeting attendees with an overview of the project purpose followed by presentations of all participants. Participants of the committee meeting from MEW, MRRD, CRIDA, DABS, USAID, IFC, KPU, KU, 77CC, AREU, MoF, and Samuel Hall introduced themselves.
2. Representatives of the consulting firm conducting the **Activity 3 “Household and Enterprise Energy Diaries”** - SAMUEL HALL - representative (Mr. Nicholas Ross and Mr. Jawid Hassanzai) updated the committee on the status of their survey and the energy household diaries since the last committee meeting. The energy diary phase is going very well as reflected in the 85 percent response rate to the monthly surveys. Early findings indicate large seasonal fluctuations in energy use, as agricultural income especially is highly seasonal. Some of the participating households have also received electricity access since they were surveyed under the baseline survey in June. This should also lead to interesting results. This again strengthens the case for energy diaries to be prepared in general. The presentation will be shared with the Committee members through the Energypedia website. USAID mentioned that they have been performing a social media sounding to collect data on level of service, business type and size, the need for power, and the affordability of people. Their analysis found that for businesses the stability and reliability of power is a major concern. They mentioned that the result can be shared if requested. The committee members suggested Samuel Hall to be in contact with DABS in order to gain data on electricity usage, demand, and cost from DABS’ side as well. Samuel Hall, in response to the committee questions, explained that the survey helps the government in terms of understanding each household’s use of electricity before and after grid connection, the affordability of people, and what fits their need better a grid or off-grid power, better realization of on what and where to invest, and get a better understanding of the demand. The data from DABS can be used to cross-reference findings of the survey.
3. Under the heading of Activity 5, on institutional development, Hamid Quraishi from the World Bank briefed the committee on DABS’ governance reform and the financial analysis of DABS. He explained that one of the outcomes of the two governance reform stakeholder workshops earlier this year was the need for a stronger relationship of MOF and DABS to ensure better financials for the power utility. This would take the form of a Partnership Agreement between both institutions. Such a Partnership Agreement was negotiated subsequently between both parties, and with support from the World Bank. It is a 3-year agreement, which on the one hand obliges DABS to improve its technical and

commercial performance against targets and timetables, and on the other hand provides funding through the MOF if such targets are being met (through conversion of debt into equity). The Partnership Agreement was signed on November 12, 2018. It lists around 40 targets to be met by both parties. The committee members voiced their general concern that DABS' scope of work keeps getting extended thus leaving DABS' strapped to meet all of these targets. It was suggested by Ms. Fanny to discuss on the institutional reform of DABS in the next meeting.

4. Mr. Gunjan Gautam of the World Bank presented the utility-scale solar energy program in Afghanistan focusing on vision and challenges, and the recent issuance of EoI by the government of Afghanistan targeting 2000MW power generation from solar. He explained the feasibility analysis that has been done by the World Bank, the key barriers, and recommendations. The power point presentation will be shared to the committee.
5. Director General Mr. Momin Mansoor from MoF presented the Committee with the 2,000 MW solar package prepared by the government of Afghanistan. He explained that MoF is coordinating this exercise, while MEW is the lead agency in the Government on energy issues. He also explained that the objective of the package is to bring all the solar projects under a direction and avoid the inconsistencies. An EoI has been issued in November 25, 2018, and the deadline for submission has been set as December 20, 2018. Committee members discussed issues relating to regulation, purchasing power of future customers, the demand and load centers, economic growth, land availability, funding, time frame of the EoI, grid stability and grid code, and the legal framework for the proposed solar projects. The 50MW threshold presented as part of the EOI was also discussed. The major concern on the threshold has been whether it is flexible or not since the cost of investment might be high for local investors and not many may apply. Also, the flexibility on land ownership was mentioned to be another point to think of, since the investors may provide the land themselves. It was recommended that the private sector could be involved to operate and maintain contracts and help DABS.
6. Mr. Burak Unsal from 77 Construction presented the committee with the progress of a 15 MW solar power plant which is under construction by their company in Kandahar. He briefed the team on the project concept, technical overview, and project timeline. The target for completion was said to be April 2019. All Committee members expressed their satisfaction to see a large-scale solar project such as this one move forward.
7. Mr. Abdullillah Qadeer from IFC delivered his briefing on the Scaling Solar Program, which is a World Bank Group approach to rapidly expand private investment in utility-scale solar PV. His explanations included the available opportunity for investing in solar, the reasons why the investment has been slow, the WBG solution to the barriers, the benefits of the solution for Government, project developers and donors, and an update of the status in Afghanistan.

List of Appendices

Appendix A- Agenda of the meeting

Appendix B- List of Participants

AFGHANISTAN ENERGY STUDY

8th Afghanistan Energy Study Committee Meeting

December 5, 2018

10:00 am – 01:00 pm

World Bank, Kabul, Afghanistan

Background: the purpose of the Afghanistan Energy Study is to conduct a comprehensive assessment of the energy sector, and to inform investments that aim to increase accessibility to affordable and sustainable energy. The study is expected to last until mid-2019. The Afghanistan Energy Study Committee oversees the study and ensures quality control. It is chaired by the Deputy Minister of Energy and Water (*currently Acting Minister*), and composed of representatives from MEW, MRRD, and DABS. In addition, a Geo-Spatial Working Group has been formed as an integral part of Activity 4 (Least Cost Electrification Plan and Development of Investment Prospectus) of the Afghanistan Energy Study. This working group consists of nominated officials from Kabul Polytechnic University and Kabul University, Afghan Geodesy and Cartography Head Office (AGCHO), the Capital Region Independent Development Authority (CRIDA), the Afghan power utility DABS, the Ministry for Rural Rehabilitation and Development (MRRD), Ministry of Agriculture, Irrigation and Livestock (MAIL), and Ministry for Energy and Water (MEW). The purpose of this 8th meeting is to take stock of progress on the overall study thus far and to agree on the next steps going forward.

AGENDA

10:00-10:15 am	Welcome – Acting Minister - Eng. Mohammad Gul Khulmi (MSc), MEW
10:15-12:15 pm	Update on Overall Progress of Afghanistan Energy Study: <ul style="list-style-type: none">- Household and Enterprise Energy Diaries: Status of energy survey (by Samuel Hall)- Institutional Assessment and Development: Update on DABS governance reform (by World Bank team)- Renewable Energy:<ul style="list-style-type: none">o Could Afghanistan deliver a 2,000 MW solar program, and how would it be designed? (by Gunjan Gautam and Pasquale Franzese, World Bank team)o Update on Government efforts on 2,000 MW solar program (by DG Mansour, MOF)o Progress on the 15 MW Kandahar Solar Project (by Burak, 77 Construction)o Update on IFC Scaling Solar (by Abdullilah Qadeer, IFC)
12:30-01:00 pm	Lunch, Closing, and Next Steps

List of Participants

Name	Position	Organization	Email Address	Phone
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